

**HOG PURCHASE CONTRACT BETWEEN**  
**SWIFT & COMPANY**  
**AND**

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**THIS HOG PURCHASE CONTRACT** ("Contract") is made and entered into as of \_\_\_\_\_, 2000, by and between the **SWIFT & COMPANY**, a corporation incorporated and existing under the laws of the State of Delaware ("Buyer"), and \_\_\_\_\_, a \_\_\_\_\_ existing under the laws of the State of \_\_\_\_\_ ("Seller").

**WHEREAS**, Buyer owns and operates hog processing plants in Marshalltown, Iowa and Worthington, Minnesota;

**WHEREAS**, Buyer desires to secure and Seller desires to provide a dependable supply of quality premium hogs suitable for use at such hog processing plants;

**WHEREAS**, Seller owns and operates quality hog production facilities in the state of \_\_\_\_\_; and

**WHEREAS**, Seller desires to ship and sell market hogs that meet Buyer's specifications from its designated production facilities to Buyer;

**NOW, THEREFORE, IN CONSIDERATION** of the promises and the mutual benefits and covenants contained herein, the adequacy of which are hereby acknowledged, Seller agrees to deliver and sell from its designated hog production facilities and Buyer agrees to accept and pay for hogs of the quantity and quality hereinafter stated upon the following terms and conditions.

**ARTICLE 1 – HOG PRODUCTION**

**Section 1.01**

Seller currently owns and operates quality hog production facilities, the locations of which are set forth below (the lands encompassed by such sites, together with equipment and structures used exclusively in connection therewith being hereinafter referred to as the "Designated Production Facilities"), from which Seller shall produce market hogs to be delivered and sold to Buyer.

<u>Farrowing Units</u>	<u>Building ID #</u>	<u>Location</u>	<u>Annual Production</u>
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[TO BE COMPLETED]

Nursery Units      Building ID#      Location      Annual Production

Finishing Units      Building ID#      Location      Annual Production

[TO BE COMPLETED]

## ARTICLE 2 - EFFECTIVE DATE AND TERM

### Section 2.01

From the date hereof, this Contract shall continue and remain in full force and effect from and after \_\_\_\_\_, 2000 through \_\_\_\_\_, 200\_\_ (unless otherwise extended by the parties hereto or unless terminated in accordance with the terms hereof).

## ARTICLE 3 - QUANTITY

### Section 3.01

Except as otherwise set forth herein, during each of the fiscal years provided for under this Contract (fiscal year, for the purposes of this Contract, shall begin \_\_\_\_\_ and end \_\_\_\_\_), Buyer shall accept delivery and purchase, and Seller shall deliver and sell the number of Market Hogs per fiscal year, from the Designated Production Facilities, as set forth below.

Fiscal Year Ending      Quantity

[TO BE COMPLETED]

- (i) The above schedule is less than the total quantity of hogs produced by Seller, at the Designated Production Facilities, on both a historical and current basis. Hog production at the Designated Production Facilities, which is in excess of the quantity set forth above, shall be subject to the provisions of subparagraph (ii) below.
- (ii) Buyer shall accept and purchase, and Seller shall deliver and sell the number of Market Hogs, which are produced at the Designated Production Facilities, during any fiscal quarter which are in excess of 25% of the fiscal year quantity ("Excess Market Hogs") as set forth above. Seller will notify Buyer in writing at least ninety (90) days before the beginning of the respective fiscal quarter of the availability of Excess Market Hogs (including the approximate number thereof) for the upcoming fiscal quarter. Buyer will not be obligated to purchase Excess Market Hogs in excess of such approximate number. Further, Buyer will not be obligated to

purchase Excess Market Hogs in excess of the difference between the annual production quantity for the finishing units as set forth in Section 1.01 above, and the fiscal year quantity set forth above.

- (iii) As set forth in Section 11.01 below, Seller shall not be relieved of its obligation to deliver and sell Market Hogs to Buyer, in the quantity set forth above, for any reason that does not constitute a Force Majeure Event. If any event occurs, which may possibly affect Seller's obligation to deliver and sell Market Hogs in the quantity set forth above and which is not a Force Majeure Event, then Seller shall give Buyer prompt written notice describing such event and Seller's plan to remedy such event. In addition, any failure of Seller to deliver and sell Market Hogs to Buyer, in the fiscal year quantity set forth above, shall be a material default under this Contract.

## ARTICLE 4 – QUALITY

### Section 4.01

- (a) **Market Hogs.** For purposes of this Contract, the term "Market Hog" shall mean hogs meeting the specifications in this Contract, including, without limitation, those set forth on Exhibit A hereto.
- (b) **Additional Covenants.** Seller covenants and warrants as follows:
  - (i) **pH.** The pH for each load of Market Hogs shall meet or exceed the plant average (with respect to the plant to which the Market Hogs are delivered). In addition, in the event that Buyer establishes a "standard pH" (as defined below) for Market Hogs, then each load of Market Hogs shall also meet or exceed such "standard pH." The "standard pH" shall mean the "Base" pH set forth from time to time in Buyer's "Carcass Merit Buying Matrix" existing from time to time as described in Section 8.01. Buyer may revise such "standard pH" from time to time. Buyer shall give Seller thirty (30) days notice prior to establishing or revising such "standard pH." Buyer may, in its discretion, determine pH by testing carcass' on a random basis or by testing each individual carcass.
  - (ii) **Weight.** Seller shall use its best effort to achieve live weight of 255 pounds per Market Hog. Each load shall average 240 to 270 pounds live weight per Market Hog, except for close-out loads on finishing buildings (which shall average 230 to 270 pounds live weight per Market Hog). A close-out load shall be the last load of Market Hogs from a finishing building, with each finishing building limited to a maximum of 1 close-out load in a 20 week period, and each close-out load shall be identified by Seller to Buyer on the Thursday prior to the week of shipment. Each

Market Hog shall not have a live weight of less than 220 pounds or more than 290 pounds. These weights (i.e., live weight per Market Hog, average live weight per load, average live weight per close-out load, and minimum and maximum live weight per Market Hog) may be revised by Buyer from time to time, in the event that Buyer changes its standard weights. Buyer shall give Seller thirty (30) days written notice prior to any such revision. For the purposes of this Contract, load shall mean the quantity of Market Hogs contained in a vehicle or trailer, which is used by Seller to ship and deliver the Market Hogs to Buyer; provided, however, in no event shall a load exceed the quantity that may fill a standard semi-trailer used for the purpose of transporting hogs.

- (A) (iii) **53%** Grade. All Market Hogs shall on average, over each consecutive 6 month period, be no less than the greater of (a) 54% lean, or (b) an amount which meets or exceeds the plant average (with respect to the plant to which the Market Hogs are delivered). Such measurements shall, except as otherwise be set forth in this Contract, be made by Fat-O-Meater.
- (iv) Yield. Hot dressing yield shall average, over each consecutive 6 month period, over 75% per load. This % yield may be revised by Buyer, from time to time, in the event that Buyer changes its standard % yield. Buyer shall give Seller thirty (30) days written notice prior to any such revision.
- (v) Genetics. The genetics used by Seller to produce the Market Hogs shall be \_\_\_\_\_ for female lines and \_\_\_\_\_ for boar lines. Seller shall not change such genetics without Buyer's prior written consent.
- (vi) Nutrition. Seller shall feed the Market Hogs in accordance with the written nutrition plan which has been previously provided to Buyer, a copy of which is attached hereto as Exhibit B. If requested by Buyer, Seller shall modify such nutrition plan and feed the Market Hogs in accordance with the modified plan (e.g., to provide for the use of feed inputs that are non-genetically modified organisms); provided, however, that the modified plan does not adversely affect Seller's ability to produce Market Hogs in accordance with the specifications of this Contract.
- (vii) Substances. Seller shall give thirty (30) days written notice prior to any use by Seller of Beta Agonist, PST, Ractopamin, or any similar substance in producing the Market Hogs, and Seller shall discontinue the use of such substances if they adversely affect, as determined by Buyer, Buyer's processing of the Market Hogs.
- (viii) Cutting Test. The initial delivery of Market Hogs shall pass a cutting

test, as determined by Buyer. Provided that the initial delivery of Market Hogs passes the cutting test, each subsequent delivery of Market Hogs shall meet or exceed the standards established by the initial cutting test.

- (c) **Quality Improvements.** In addition to Seller's obligation to meet the foregoing specifications, Seller shall, if requested by Buyer, implement programs to improve the quality of the Market Hogs and/or Buyer's ability to sell pork products produced from the Market Hogs (e.g., a farm hazard analytical control point program, an ISO 9000 program, etc.); provided, however, that any such program does not adversely affect Seller's ability to produce Market Hogs in accordance with the specifications of this Contract.

## **ARTICLE 5 - SCHEDULING HOG SHIPMENTS**

### **Section 5.01**

All Market Hogs purchased hereunder shall be delivered by Seller, freight prepaid by Seller (subject to the provisions set forth in Section 5.03 below), to slaughter facilities, designated from time to time by Buyer. Title to and risk of loss of the Market Hogs shall pass from Seller after weighing of the carcasses at the hot weight scale at such slaughter facility. For purposes of this Contract, delivery means the unloading of the Market Hogs with the freight charges paid by Seller from Seller's Designated Production Facilities. Deliveries of Market Hogs shall be made as specified by Buyer, including deliveries on Saturdays and/or Sundays.

### **Section 5.02**

Seller shall use its best efforts to ship and deliver to Buyer, the quantity of Market Hogs, excluding Excess Market Hogs, on an equal weekly basis. Seller shall notify Buyer at the beginning of each fiscal quarter, of the projected quantity of Market Hogs (including Excess Market Hogs) to be shipped and delivered by Buyer, on a monthly basis, for the current fiscal quarter and the subsequent fiscal quarter. If Seller fails to ship and deliver the Market Hogs (including Excess Market Hogs) to Buyer in accordance with such notification(s), for a period of 13 consecutive weeks, then Buyer may, in addition to all other right and remedies that Buyer may have, price the Market Hogs (including Excess Market Hogs) at the lower of (i) the Contract price, as determined under the first paragraph of Section 7.01 (by way of clarification, this provision shall specifically apply to the Excess Market Hogs, notwithstanding that the Contract price of Excess Market Hogs would otherwise be determined by the second paragraph of Section 7.01), or (ii) the base cash price, per carcass cwt., as offered by Buyer at its plant on the day of delivery of the Market Hogs (and/or the Excess Market Hogs), plus or minus (as the case may be), the Carcass Merit Adjustment. Further, if Seller fails to ship and deliver Market Hogs (including Excess Market Hogs) to Buyer, in accordance with such notification(s), for a period of 26 consecutive weeks, then Buyer may, in addition to all other rights and remedies that Buyer may have, terminate this Contract.

In addition to the above, Seller shall furnish Buyer weekly, before 12:00 noon on Thursday, an estimate of the quantities of Excess Market Hogs to be shipped during subsequent two (2) week period. Further, Seller shall notify Buyer of the estimated number of Market Hogs to be delivered on a daily basis before 12:00 noon on Thursday previous to the week of delivery, specifying the estimated number of Market Hogs to be delivered each day of the week, Monday through Sunday (if Saturday production is not scheduled for the designated slaughter facility, then no deliveries shall be scheduled for Saturday, and if Buyer does not require deliveries on Sunday for Monday production at the designated slaughter facility, then no deliveries shall be scheduled for Sunday). Such daily estimate shall include, and specifically identify the number of, Excess Market Hogs to be delivered. Following receipt of such estimate, Buyer shall give instructions as to where such deliveries shall be made.

#### Section 5.03

Buyer and Seller will each use its best efforts to always provide the other with as much notice as possible of any changes required in the delivery schedule. At any time during the term of this Contract, except for those Market Hogs scheduled to be delivered within the next twenty-four (24) hours, Buyer has the option to direct Seller to deliver Market Hogs produced under this Contract to slaughter facilities other than \_\_\_\_\_, provided that all incremental transportation costs, if any, incurred by Seller because of the directive given by Buyer are paid to Seller by Buyer.

All Market Hogs already scheduled for delivery and loaded on truck(s) for a particular twenty-four (24) hour period must be delivered and accepted at the processing plant already designated by Buyer, e.g., if 800 hogs are scheduled to be delivered to Buyer's \_\_\_\_\_ plant on a given Tuesday, with delivery to take place the following day (Wednesday), Buyer cannot request a change in that said delivery unless mutually agreeable to Seller and said agreement shall not be unreasonably withheld by Seller. In the event that Seller has not loaded said Market Hogs prior to receiving notice from Buyer of the need to delay shipment to, or divert shipment from, \_\_\_\_\_, Seller will delay loading and shipment of said Market Hogs for up to forty-eight (48) hours, or deliver the Market Hogs to other facilities as directed by Buyer. Buyer will unload the hogs in accordance with industry standards giving consideration to all factors affecting unloading (e.g. production requirements, weather, other deliveries, etc.).

### **ARTICLE 6 - VERIFICATION OF HOG QUANTITIES AND QUALITY**

#### Section 6.01

Seller will periodically allow Buyer's employee(s) in the Designated Production Facilities to observe the production of Market Hogs, and to verify Seller's performance of its obligations hereunder, so long as prior notice is given to Seller and provided that such operations do not unnecessarily interfere with the operation of the Designated Production Facilities.

Buyer will periodically allow Seller's employee(s) in Buyer's plant(s) to facilitate and observe the handling and processing of the Market Hogs delivered under this Contract so long as prior notice is given to Buyer and provided that such inspections do not interfere with the operations of such facilities.

Buyer shall note on Seller's truck(s) bill(s) of lading, and before said delivering truck(s) leaves Buyer's plant, of the number, if any, of the hogs arriving at Buyer's plant that are diseased, disabled, dead, or fail to conform to the weight specifications under this Contract. Buyer may, at its option, dispose of or sell such hogs according to the then current program, at Buyer's plant, for disposal of non-conforming hogs; provided, however, that Seller shall receive all proceeds and shall be responsible for all costs, resulting from such disposal or sale.

## ARTICLE 7 - PRICE

### Section 7.01

The price for the Market Hogs supplied under this Contract, excluding the Excess Market Hogs, shall be the sum of the "Base Price" (as defined below), plus or minus (as the case may be) the "Carcass Merit Adjustment" (as defined below). The Base Price shall be the amount, per carcass cwt., determined pursuant to Buyer's "Base Price Matrix," which is set forth in Exhibit C attached hereto. The Base Price shall be determined in respect of each load of Market Hogs delivered pursuant to this Contract.

If Buyer changes or revises the "Carcass Merit Buying Matrix" currently offered by Buyer (copy attached as Exhibit E), then Buyer shall adjust the price for the Market Hogs supplied under this Contract, excluding the Excess Market Hogs. The adjustment shall be for an amount such that the price for the Market Hogs, based upon the changed or revised "Carcass Merit Buying Matrix", is economically equivalent to the price for the Market Hogs, based upon the "Carcass Merit Buying Matrix" as currently offered by Buyer (copy attached as Exhibit E). Any such adjustment shall be determined in respect to each load of Market Hogs delivered pursuant to this Contract.

The price for the Excess Market Hogs supplied under this Contract shall be the base cash price, per carcass cwt., as offered by Buyer at its plant on the day of delivery of the Excess Market Hogs, plus or minus (as the case may be), the "Carcass Merit Adjustment" (as defined below).

## ARTICLE 8 - CARCASS MERIT ADJUSTMENTS

### Section 8.01

For purposes of this Agreement, the Carcass Merit Adjustment shall be the amount determined pursuant to Buyer's "Carcass Merit Buying Matrix." The "Carcass Merit Buying Matrix" shall be the prevailing carcass merit matrix offered at Buyer's plant at the time of delivery, changing as and when Buyer changes such matrix. Buyer shall give Seller thirty (30) days written notice prior to any changes or revision to Buyer's "Carcass Merit Buying Matrix." The matrix currently offered by Buyer is set forth in Exhibit D attached hereto. The Carcass Merit Adjustment shall be determined in respect of each load of Market Hogs delivered pursuant to this Contract and shall be included in the information in the "kill sheets" (as defined below), for each such load. The parties acknowledge that Buyer's current "Carcass Merit Buying Matrix" is based upon Buyer's current definition for a standard carcass, which is a carcass with 50% lean, carcass weight of approximately 188 pounds and yield (based on live weight) of a minimum of 74.0%, and that such matrix may be changed by Buyer from time to time and that such changes may reflect, among other factors, changes in Buyer's definition of a standard carcass. Other factors that could result in changes to the matrix may include, without limitation, changes in Buyer's instruments for determining lean percentage, size or yield. At present, both size and yield are determined by weight in pounds, and lean percentage is measured using a "Fat-O-Meater." Buyer agrees that no changes shall be made in such instruments unless the substitute instrument is considered by Buyer to be more accurate. Carcass weight for the purposes of this Contract shall mean the net weight of the hog carcass after passing USDA inspection and prior to chilling. Copies of the processing or slaughter reports prepared by Buyer ("kill sheets") for the hogs delivered under this Contract will be mailed to Seller within two (2) days of the hogs slaughter by Buyer and shall contain the information set forth in Exhibit E, attached hereto and made a part hereof. All weights referenced herein are to be taken from government inspected and certified scales.

## ARTICLE 9 - PAYMENT

### Section 9.01

Buyer shall pay Seller in full before the close of the first business day after slaughter. All payments shall be by mail to Seller's offices. Payments shall be deemed made when received at Seller's offices.

Should Buyer fail to make payments for a period of seven (7) days, Seller may suspend deliveries of hogs hereunder, but the exercise of such right shall be in addition to any and all other remedies to Seller.

Notwithstanding the above, at any time Buyer refuses delivery and/or fails to pay for hogs under this Contract, Seller has the right to sell said hogs on the open market to a third party.



## ARTICLE 10 - DEFAULT

### Section 10.01

**Seller Default.** For purposes of this Contract, a default by Seller shall be deemed to have occurred under any of the following circumstances (each, a "Seller Default"):

- (a) Seller defaults in the performance of any obligation hereunder and, provided that such default is curable, Seller fails to cure such default within thirty (30) days following receipt of written notification of such default from Buyer; or
- (b) Seller is adjudged a bankrupt, or if a proceeding of any kind under any law relating to bankruptcy, insolvency or relief of debtors is initiated by or against Seller and is not dismissed within thirty (30) days; or
- (c) Seller makes an assignment for the benefit of its creditors, or ceases to carry on its business; or
- (d) Seller has a receiver/trustee or similar person appointed or otherwise designated in respect of its business or affairs.

### Section 10.02

**Buyer Default.** For purposes of this Contract, a default by Buyer shall be deemed to have occurred under any of the following circumstances (each, a "Buyer Default"):

- (a) Buyer defaults in the performance of its obligations hereunder and, provided that such default is curable, Buyer fails to cure such default within thirty (30) days following receipt of written notification thereof from Seller; or
- (b) Buyer is adjudged a bankrupt, or if a proceeding of any kind under any law relating to bankruptcy, insolvency or relief of debtors is initiated by or against Buyer and is not dismissed within thirty (30) days; or
- (c) Buyer makes an assignment for the benefit of its creditors, or ceases to carry on its business; or
- (d) Buyer has a receiver/trustee or similar person appointed or otherwise designated in respect of its business or affairs.

### Section 10.03

**Termination Rights - Seller.** In the event of a Buyer Default, Seller may terminate this Contract by providing written notice to Buyer.

**Section 10.04**

**Termination Rights - Buyer.** In the event of a Seller Default, Buyer may terminate this Contract by providing written notice to Seller.

**Section 10.05**

**Effect of Termination.** Termination of this Contract shall not relieve any party of any liability accrued or for any breach hereunder, nor affect the continued operation or enforcement of any provision of this Contract which by its terms is to survive termination. Nothing herein shall prevent any party from seeking specific performance or damages for breach in respect of any right or obligation contained in this Contract.

**Section 10.06**

**Remedies.** In the event that Seller delivers hogs that fail to conform to the requirements of this Contract, then Buyer may, in addition to all other remedies available to Buyer, either reject or accept any non-conforming hogs. In the event that Buyer elects to accept non-conforming hogs, the price to be paid by Buyer to Seller for the non-conforming hogs shall be the cash price, as offered by Buyer at the plant of delivery, for similar hogs, on the day of delivery of such non-conforming hogs, subject to any applicable discounts under the then current discount program of Buyer's plant. In the event that Buyer pays the Contract price for any non-conforming hogs, Buyer, at its option, may deduct any overpayment against current and future amounts owed by Buyer to Seller under this Contract. Buyer shall also have the right to offset against current and future amounts owed to Seller under this Contract any and all damages sustained by Buyer as a result of Seller's breach of this Contract, including without limitation Seller's failure to deliver the quantity of hogs required under this Contract. In the event that Buyer has reasonable grounds to believe that Seller's ability to perform under this Contract is impaired then Buyer may in writing demand from Seller adequate assurance of due performance, and Buyer may suspend its performance under this Contract, if commercially reasonable to do so, until such adequate assurance is provided by Seller. If Seller fails to provide such adequate assurance within a reasonable time, not to exceed 30 days, then Buyer may terminate this Contract. The rights and remedies set forth in this Article 10 are non-exclusive and shall be in addition to any other rights or remedies that may be available to Buyer at law or in equity.

**ARTICLE 11 - FORCE MAJEURE**

**Section 11.01**

**Force Majeure.** Seller shall, either wholly or partially, be relieved of its obligations hereunder during any period of time when performance becomes commercially impossible because of reasons beyond its control involving fire, explosion, strike, war, riot, final governmental regulations or intervention (specifically including any governmental intervention which mandates herd liquidation due to pseudorabies), and acts of God (each a "Force Majeure Event"). Similarly, Buyer shall, either wholly or partially, be relieved of its obligations hereunder during any period of time when performance becomes commercially impossible because of a Force Majeure Event involving its Marshalltown and/or Worthington facilities. Market conditions are specifically excluded from this provision. Also, hog health (e.g., PRRS, pneumonia, pseudorabies where herd liquidation is not government mandated, etc.) or management problems that may impact the production of the Market Hogs are specifically excluded from this provision. Once performance becomes commercially possible, the responsibilities and obligations of the parties shall resume again with full force and effect. Where either party claims an excuse for nonperformance under this Section, it must give prompt telephonic notice, promptly confirmed by written notice, of the occurrence and estimated duration of the Force Majeure Event to the other party; and shall give prompt written notice when the Force Majeure Event has been remedied and performance can recommence hereunder.

## ARTICLE 12 - NOTICES

### Section 12.01

All notices required or permitted to be given hereunder shall be in writing and shall be deemed properly given when delivered in person to the party to be notified, or when sent by courier service, costs prepaid, or when sent by fax, to the party to be notified, at its address set forth below, or such other address within the continental United States of America as the party to be notified may have designated prior thereto by written notice to the other:

SELLER:

[TO BE COMPLETED]

BUYER:

5.02 (quarterly estimates), to:

With respect to the notices required by Section 3.01 (ii) and  
Contract Manager  
Swift & Company  
Rick Farris  
3245 240<sup>th</sup> Street  
Fact City, IA 50583  
Fax Number: 712-662-3885

and weekly estimates) and 5.03, to:

With respect to the notices required by Sections 5.02 (daily  
Procurement Manager  
Swift & Company (for the plant of delivery)  
Ken Losey

PO Box 280  
402 North 10<sup>th</sup> Ave.  
Marshalltown, IA 50158  
Fax Number: 641-752-9382

Or

Bill Wurdeman  
PO Box 369  
Hwy. 60 N.E.  
Worthington, MN 56187  
Fax Number: 507-376-3914

With respect to all other notices required by the Contract, to:  
Dennis Henley, President  
Swift & Company  
P.O. Box G  
Greeley, CO 80632  
Fax No.: (970) 395-8870

## **ARTICLE 13 - WAIVERS**

### **Section 13.01**

Failure of Buyer or Seller to insist upon strict performance of any of the terms and conditions hereof, or failure or delay to exercise any right or remedies provided herein, or by law, or to properly notify either party in the event of breach or the acceptance of payment for any goods hereunder, shall not release either party from any of the warranties or obligations of this Contract, and shall not be deemed a waiver of any right by either party to insist upon strict performance hereof, or any of its rights or remedies as to any such goods regardless when shipped, received or accepted, or as to any prior or subsequent default hereunder, nor shall any purported oral modification operate as a waiver of any of the Contract terms.

## **ARTICLE 14 - INTERPRETATION AND ASSIGNMENT**

### **Section 14.01**

The article headings in this Contract are for convenience only, and shall not be considered a part of or used in the interpretation of this Contract.

The exhibits referred to herein and attached hereto shall be considered a part of this Contract as if they were set forth in full in the body of this Contract.

This Contract may not be assigned in whole or in part by Seller without the prior written consent of Buyer, provided, however, that such consent may not be unreasonably withheld. Buyer may assign all or a portion of its rights hereunder. Any assignment will not relieve the assignor from any of its obligations created hereunder; and any assignee shall become liable for all the terms and conditions of this Contract as if such party was signatory to the Contract.

All the provisions of this Contract shall inure to the benefit of and be binding upon the parties hereto, their successors and permitted assigns.

## ARTICLE 15 - REPRESENTATIONS AND WARRANTIES

### Section 15.01

**Representations, Warranties and Covenants of Seller.** Seller hereby represents, warrants and covenants to and with Buyer as follows:

- (a) **Power and Authority.** Seller is a \_\_\_\_\_ duly organized, validly existing and in good standing under the laws of the State of \_\_\_\_\_ and has the power to own, operate and lease its properties and carry on its business as now being conducted and to execute, deliver and perform this Contract.
- (b) **Authorization; Binding Effect.** This Contract and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary Corporate action on the part of Seller and constitutes the legal, valid and binding obligations of Seller enforceable in accordance with its terms.
- (c) **Compliance With Laws.** During the term of this Contract, Seller shall comply in all respects with all laws (including, but not limited to, regulations, rules, codes and ordinances), whether federal, state, local or otherwise, applicable to the production of Market Hogs, the construction, operation and maintenance of the Designated Production Facilities, and the performance of Seller's obligations hereunder, such laws to include, without limitation, those relating to protection of the environment, waste management, health or safety of persons, construction and site location of the Designated Production Facilities, and livestock production.
- (d) **Compliance With Specifications.** All Market Hogs shall meet the specifications referred to or set forth in Section 4.01, including, but not limited to, the specifications set forth on Exhibit A.
- (e) **Ownership of Production Units.** During the term of this Contract, Seller shall not sell, abandon or otherwise dispose of any of the Designated Production Facilities,

except that Seller may pledge or mortgage the Designated Production Facilities to a bona fide third party lender.

- (f) **Effect of Agreement.** The execution, delivery and performance of this Contract and the consummation of the transactions contemplated hereby will not (a) violate any provision of law, statute, rule or regulation; or (b) violate any judgment, order, writ or decree of any court applicable to Seller.
- (g) **Title.** Seller will have, and will transfer to Buyer, good and marketable title to the Market Hogs free and clear of all liens, claims and encumbrances.

#### Section 15.02

**Representations, Warranties and Covenants of Buyer.** Buyer hereby represents, warrants and covenants to and with Seller as follows:

- (a) **Corporate Power and Authority.** Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the corporate power to own, operate and lease its properties and to carry on its business as now being conducted and to execute, deliver and perform this Contract.
- (b) **Corporate Authorization; Binding Effect.** This Contract and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of Buyer and constitutes the legal, valid and binding obligation of Buyer enforceable in accordance with its terms.

### ARTICLE 16 - SEVERABILITY

#### Section 16.01

In the event that any part, term, or provision of this Contract is unenforceable, illegal or in conflict with any federal, state or local laws, such part, term or provision shall be considered severable from the rest of the Contract, and the remaining portion of the Contract shall not be thereby affected and this Contract shall be construed and enforced as if the Contract did not contain such part, term or provision.

## ARTICLE 17 - MISCELLANEOUS

### Section 17.01

**Successors and Permitted Assigns.** The provisions of this Contract shall extend to the parties hereto and to their successors and permitted assigns.

### Section 17.02

**Entire Agreement.** This Contract contains the entire agreement between the parties and there are no oral promises, agreements, warranties, obligations, assurances, or conditions, expressed or implied, precedent or otherwise, affecting it.

### Section 17.03

**Dispute Resolution.** Seller and Buyer shall use their best efforts to settle any dispute, claim, question or disagreement arising out of or relating to this Contract or any alleged breach of this Contract. This Contract and the legal relations among the parties hereto shall be governed by and construed in accordance with the laws of the State of Colorado (without regard to Colorado's choice of law rules). Any and all actions arising between the parties in respect of this Agreement shall be brought in the State of Colorado. The parties submit to the jurisdiction of, and do hereby agree to voluntarily appear in such courts.

### Section 17.04

**Authority.** Each of the parties to this Contract represents that it has full authority to enter into this Contract. Except where otherwise provided by law, this Contract shall be kept confidential and shall be known only to the parties hereto.

### Section 17.05

**Independent Contractors.** Buyer and Seller agree that the relationship between them is that of independent contractors. Nothing in this Contract shall constitute either Seller or Buyer as agent, representative, partner, joint venturer or employee of the other party. Neither Seller nor Buyer shall have, nor shall either represent itself as having, any right, power or authority to create any contract or obligations, either express or implied, on behalf of, in the name of, or binding upon the other party, or to pledge the other's credit or to extend credit in the other's name unless the other party shall provide advance written consent thereto.

### Section 17.06

**Counterparts.** This Contract may be executed in multiple counterparts each of which shall be deemed an original but all of which together shall constitute but one and the same instrument.

#### Section 17.07

**Construction.** The language in all parts of this Contract shall in all cases be construed as a whole according to its fair meaning, strictly neither for nor against any party hereto, and without implying a presumption that the terms thereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the person who himself or through his agent prepared the same, it being agreed that representatives of both parties have participated in the preparation hereof.

#### Section 17.08

**Liability Insurance.** Seller agrees during the term hereof to maintain adequate public liability and other insurance with reputable insurance companies as hereinafter set forth and, upon request, to furnish Buyer with certificates of insurance properly executed by its insurers evidencing such a fact, and requiring the insurers to give at least thirty (30) days notice to Buyer in the event of cancellation or material alteration of such coverage. The minimum insurance coverage to be maintained by Seller shall be as follows:

- (a) Comprehensive general liability insurance, including personal injury and property damage, products and completed operations, and form contractual and advertising liability coverages, in occurrence form, affording minimum single limit protection of no less than Two Million Dollars (\$2,000,000) per occurrence and with deductibles no greater than One Hundred Thousand Dollars (\$100,000) per occurrence. Buyer shall be named as an additional insured.
- (b) Worker's compensation and employer's liability insurance in accordance with the statutory requirements of the state where Seller conducts its operation.

#### Section 17.09

**Indemnification.** Seller covenants that it will indemnify, hold and save Buyer harmless from and against any and all loss, cost, liability, damage or expense, including, without limitation, reasonable attorneys' fees and disbursements, caused by or arising from or in connection with Seller's construction or operation of the Designated Production Facilities, or any act, breach or omission of Seller in connection herewith, including, without limitation, any injury or death of persons or damage to property caused by or arising therefrom. Buyer covenants that it will indemnify, hold and save Seller harmless from and against any and all loss, cost, liability, damage or expense, including, without limitation, reasonable attorney's fees and disbursements, caused by or arising from, or in connection with, any act, breach or omission of Buyer in connection herewith including any injury or death of persons or damage to property caused by or arising therefrom.

#### Section 17.10

**Records-Financial Condition.** Seller will maintain books and records to document and



verify the performance of its obligations hereunder, and such books and records shall be in a format reasonably specified by Buyer. Such books and records shall include, but not be limited to, "Pig Champ" production records and such records as reasonably requested by Buyer. In addition Seller will maintain monthly and annual cash flow statements, monthly and annual balance sheets and its annual income tax return. Seller will allow Buyer, during Seller's regular business hours, to review and copy such books and records. Further, Seller will provide Buyer with an annual cash flow statement and an annual balance sheet, on or before January 31<sup>st</sup> of each year, and with a copy of its annual tax return, within 30 days after the filing of such return. Seller warrants that all such books and records shall be accurate, true and correct. Seller shall maintain, at all times, its financial condition so that it meets or exceeds Seller's financial condition as set forth in Seller's application for this Contract.

Section 17.11

Guaranty-Security. To induce Buyer to enter into this Contract, \_\_\_\_\_, who are the sole shareholders of Seller, shall each execute and deliver to Buyer, concurrently with the execution of this Contract, a guaranty, which shall be in the form set forth in Exhibit F attached hereto. To further induce Buyer to enter into this Contract, Seller shall execute and deliver to Buyer, concurrently with the execution of this Contract, the security agreements which are attached hereto as Exhibit G.

Section 17.12

Amendments. The Contract may only be amended by a written document duly executed by the parties hereto. With respect to Buyer, no amendment will be binding upon Buyer, unless such amendment is executed by either the President of Buyer or the Sr. V.P. Commodity Procurement and Economic Strategies of ConAgra Foods, Inc.

Section 17.13

Binding Effect. This Contract shall be binding upon the parties, provided that this Contract shall not become effective unless Buyer shall provide Seller with written notice within fourteen (14) days of the date first written above, that the Sr. V.P. Commodity Procurement and Economic Strategies of ConAgra Foods, Inc. has approved this Contract. If Buyer does not provide such notice within fourteen (14) days of the date first written above, then this Contract shall be of no further force or effect on either party hereto.

IN WITNESS WHEREOF, the parties have executed this Contract as of the date first above written.

SELLER:

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

**BUYER:**

**SWIFT & COMPANY**

By: \_\_\_\_\_

Its: \_\_\_\_\_

### **List of Exhibits**

- A. Hog Specifications**
- B. Nutrition Plan**
- C. Base Price Matrix**
- D. Carcass Merit Buying Matrix**
- E. Processing or Slaughter Reports ("kill sheets")**
- F. Guaranties**
- G. Security Agreements**

## **EXHIBIT A**

### **Hog Specifications**

- Hogs shall be live and must pass USDA ante mortem inspections and be disease free.
- Hogs must be within USDA limits on all residues (e.g., sulfa, tetracyclines, penicillin, etc.) and be certified Level III of the NPPC Pork Quality Assurance Program.
- Buyer shall not be required to accept any hog which has a live weight of less than 220 pounds or more than 290 pounds.
- Buyer shall not be required to accept any hog which meets the definition of either an "ambulatory disabled livestock" or a "non-ambulatory disabled livestock," as such terms are defined under Directives issued by USDA's Food Safety and Inspection Service ("FSIS").
- Hogs shall be produced solely from Seller's sow herd located at the Designated Production Facilities, and the hogs shall be produced solely at the Designated Production Facilities.
- Seller must follow humane handling procedures at all times during the production, transportation and delivery of the hogs.
- The carcasses from the hogs must pass USDA post-mortem inspection.
- The carcasses from the hogs shall not have excessive insect bites (e.g., flies, mosquitoes, etc.), as determined by Buyer. Insect bites shall be deemed excessive if any of the following conditions are met due to the bites: trim loss is above normal, USDA requires a carcass to be trimmed, the carcass is railed out to perform the trimming, or the belly from the carcass decreases from a grade #1 to a lesser grade.
- The hogs shall not have had any diseases which result in additional handling of the carcasses and/or decreased value or yield of the carcasses, as determined by Buyer. Diseases shall include, but not be limited to the following: pneumonia, peritonitis, jaundice, pericarditis, or arthritis. Additional handling of the carcasses and/or decreased value or yield of the carcasses shall include, but not be limited to, the following: trim loss above normal, down-time on the chain or rail, or damage or loss to portions of the carcass (e.g., ribs, belly, loins, etc.).

# Exhibit C

## Hog Base Price Matrix for Lean Market Hog Delivered to Swift Plant

Decatur, Illinois 44% Soybean Meal as reported by the USDA  
(8 WK rolling average)

	\$ 140	\$ 150	\$ 160	\$ 170	\$ 180	\$ 190	\$ 200	\$ 210	\$ 220	
\$ 1.40	\$ 48.29	\$ 48.70	\$ 49.10	\$ 49.50	\$ 49.90	\$ 50.30	\$ 50.70	\$ 51.10	\$ 51.50	\$ 1.40
\$ 1.50	\$ 48.81	\$ 49.21	\$ 49.61	\$ 50.01	\$ 50.41	\$ 50.81	\$ 51.21	\$ 51.61	\$ 52.01	\$ 1.50
\$ 1.60	\$ 49.33	\$ 49.73	\$ 50.13	\$ 50.53	\$ 50.93	\$ 51.33	\$ 51.73	\$ 52.13	\$ 52.53	\$ 1.60
\$ 1.70	\$ 49.85	\$ 50.25	\$ 50.65	\$ 51.05	\$ 51.45	\$ 51.85	\$ 52.25	\$ 52.65	\$ 53.05	\$ 1.70
\$ 1.80	\$ 50.37	\$ 50.77	\$ 51.17	\$ 51.57	\$ 51.97	\$ 52.37	\$ 52.77	\$ 53.17	\$ 53.57	\$ 1.80
\$ 1.90	\$ 50.89	\$ 51.29	\$ 51.69	\$ 52.09	\$ 52.49	\$ 52.89	\$ 53.29	\$ 53.69	\$ 54.09	\$ 1.90
\$ 2.00	\$ 51.41	\$ 51.81	\$ 52.21	\$ 52.61	\$ 53.01	\$ 53.41	\$ 53.81	\$ 54.21	\$ 54.61	\$ 2.00
\$ 2.10	\$ 51.93	\$ 52.33	\$ 52.73	\$ 53.13	\$ 53.53	\$ 53.93	\$ 54.33	\$ 54.73	\$ 55.13	\$ 2.10
\$ 2.20	\$ 52.45	\$ 52.85	\$ 53.25	\$ 53.65	\$ 54.05	\$ 54.45	\$ 54.85	\$ 55.25	\$ 55.65	\$ 2.20
\$ 2.30	\$ 52.97	\$ 53.37	\$ 53.77	\$ 54.17	\$ 54.57	\$ 54.97	\$ 55.37	\$ 55.77	\$ 56.17	\$ 2.30
\$ 2.40	\$ 53.49	\$ 53.89	\$ 54.29	\$ 54.69	\$ 55.09	\$ 55.49	\$ 55.89	\$ 56.29	\$ 56.69	\$ 2.40
\$ 2.50	\$ 54.01	\$ 54.41	\$ 54.81	\$ 55.21	\$ 55.61	\$ 56.01	\$ 56.41	\$ 56.81	\$ 57.21	\$ 2.50
\$ 2.60	\$ 54.53	\$ 54.93	\$ 55.33	\$ 55.73	\$ 56.13	\$ 56.53	\$ 56.93	\$ 57.33	\$ 57.73	\$ 2.60
\$ 2.70	\$ 55.05	\$ 55.45	\$ 55.85	\$ 56.25	\$ 56.65	\$ 57.05	\$ 57.45	\$ 57.85	\$ 58.25	\$ 2.70
\$ 2.80	\$ 55.57	\$ 55.97	\$ 56.37	\$ 56.77	\$ 57.17	\$ 57.57	\$ 57.97	\$ 58.37	\$ 58.77	\$ 2.80
\$ 2.90	\$ 56.09	\$ 56.49	\$ 56.89	\$ 57.29	\$ 57.69	\$ 58.09	\$ 58.49	\$ 58.89	\$ 59.29	\$ 2.90
\$ 3.00	\$ 56.61	\$ 57.01	\$ 57.41	\$ 57.81	\$ 58.21	\$ 58.61	\$ 59.01	\$ 59.41	\$ 59.81	\$ 3.00
\$ 3.10	\$ 57.13	\$ 57.53	\$ 57.93	\$ 58.33	\$ 58.73	\$ 59.13	\$ 59.53	\$ 59.93	\$ 60.33	\$ 3.10
\$ 3.20	\$ 57.65	\$ 58.05	\$ 58.45	\$ 58.85	\$ 59.25	\$ 59.65	\$ 60.05	\$ 60.45	\$ 60.85	\$ 3.20
\$ 3.30	\$ 58.17	\$ 58.57	\$ 58.97	\$ 59.37	\$ 59.77	\$ 60.17	\$ 60.57	\$ 60.97	\$ 61.37	\$ 3.30
\$ 3.40	\$ 58.69	\$ 59.09	\$ 59.49	\$ 59.89	\$ 60.29	\$ 60.69	\$ 61.09	\$ 61.49	\$ 61.89	\$ 3.40
\$ 3.50	\$ 59.21	\$ 59.61	\$ 60.01	\$ 60.41	\$ 60.81	\$ 61.21	\$ 61.61	\$ 62.01	\$ 62.41	\$ 3.50
\$ 3.60	\$ 59.73	\$ 60.13	\$ 60.53	\$ 60.93	\$ 61.33	\$ 61.73	\$ 62.13	\$ 62.53	\$ 62.93	\$ 3.60
\$ 3.70	\$ 60.25	\$ 60.65	\$ 61.05	\$ 61.45	\$ 61.85	\$ 62.25	\$ 62.65	\$ 63.05	\$ 63.45	\$ 3.70
\$ 3.80	\$ 60.77	\$ 61.17	\$ 61.57	\$ 61.97	\$ 62.37	\$ 62.77	\$ 63.17	\$ 63.57	\$ 63.97	\$ 3.80
\$ 3.90	\$ 61.29	\$ 61.69	\$ 62.09	\$ 62.49	\$ 62.89	\$ 63.29	\$ 63.69	\$ 64.09	\$ 64.49	\$ 3.90

North Central Iowa  
Corn Price(\$/bu)  
as reported by  
the USDA  
(8 WK rolling average)

Round reported prices to the nearest \$0.10/bushel for corn and nearest \$10.00/bn for soybean meal  
For Prices outside the matrix

Corn: For each \$0.10/bushel price above or below the matrix, adjust the hog price by \$0.51/cwt  
Soybean meal: For each \$10.00/bn price above or below the matrix, adjust the hog price by \$0.40/cwt

# EXHIBIT D

## Carcass Merit Adjustment Matrix

<u>Lean % Range</u>	<u>Premium Discount</u>	<u>Carcass Weight Range</u>	<u>Premium Discount</u>
59.1 - up	6.30	139 - down	-17.00
57.1 - 59	5.30	140 - 147	-10.00
55.1 - 57	4.30	148 - 154	-8.00
53.1 - 55	3.30	155 - 162	-4.00
51.1 - 53	2.30	163 - 169	-1.50
49.1 - 51	0.00	170 - 176	0.00
47.1 - 49	-1.00	177 - 184	0.00
45.1 - 47	-2.00	185 - 191	0.00
43.1 - 45	-3.50	192 - 198	0.00
41.1 - 43	-7.00	199 - 206	0.00
39.1 - 41	-10.00	207 - 213	0.00
37.1 - 39	-12.50	214 - 220	-1.75
37.0 - down	-15.00	221 - 228	-3.00
		229 - up	-5.00

# EXHIBIT E

DATE: 6/27/00  
TIME: 15:55:36  
SHIFT: 1

SWIFT & COMPANY  
LOUISVILLE, KY PLANT  
GRADE AND WEIGHT REPORT

PLANT: 00972  
PAGE NO: 13  
PGM: LEB450

FARM NO. 000 LOCATION: 11

PRODUCER NO.  
PRODUCER:

TATTOO	PURCHASE	KILL	COUNT	CARCASS	PRICE	COND
WT. RANGE	DATE	DATE	PRICE/CWT	BASE	DEAD	TOTAL
	PERCENT	WEIGHT		ADJ.		CARCASS VALUE
	LEAN					
148/154	57/55	150	69.59	8.00-	.00	92.39
155/162	57/55	159	69.59	4.00-	4.30	111.13
163/169	59/57	168	69.59	1.50-	5.30	123.30
163/169	57/55	165	69.59	1.50-	4.30	119.44
163/169	55/53	335	69.59	1.50-	3.30	239.16
170/176	59/57	348	69.59	.00	5.30	260.62
170/176	57/55	685	69.59	.00	4.30	506.15
170/176	55/53	691	69.59	.00	3.30	503.67
170/176	49/47	346	69.59	.00	2.30	251.62
177/184	59/57	1,444	69.59	.00	5.30	237.32
177/184	55/53	2,705	69.59	.00	4.30	1,081.41
177/184	53/51	1,075	69.59	.00	3.30	1,998.72
177/184	51/49	1,547	69.59	.00	2.30	1,783.57
185/191	61/59	183	69.59	.00	6.30	127.35
185/191	59/57	186	69.59	.00	5.30	141.16
185/191	57/55	189	69.59	.00	4.30	141.54
185/191	55/53	1,500	69.59	.00	3.30	1,108.35
185/191	53/51	1,496	69.59	.00	2.30	1,090.43
185/191	51/49	940	69.59	.00	1.00	675.77
185/191	49/47	563	69.59	.00	391.79	291.79
192/198	59/57	371	69.59	.00	254.47	254.47
192/198	57/55	197	69.59	.00	147.53	147.53
192/198	55/53	578	69.59	.00	427.08	427.08
192/198	53/51	1,359	69.59	.00	565.63	565.63
192/198	51/49	1,776	69.59	.00	560.74	560.74
ADJUSTMENT	55/53	780	69.59	.00	137.09	137.09
192/198	53/51	197	69.59	.00	135.81	135.81
192/198	49/47	198	69.59	.00	300.31	300.31
199/206	59/57	401	69.59	.00	449.99	449.99
199/206	57/55	609	69.59	.00	591.14	591.14
199/206	55/53	811	69.59	.00	1,456.49	1,456.49
199/206	53/51	2,026	69.59	.00	557.16	557.16
199/206	51/49	815	69.59	.00	279.85	279.85
199/206	49/47	408	69.59	.00	266.34	266.34
199/206	45/43	403	69.59	.00	128.31	128.31
199/206	43/41	205	69.59	.00	464.03	464.03
207/213	57/55	628	69.59	.00	762.43	762.43
207/213	55/53	1,046	69.59	.00		

## EXHIBIT F

### CONTINUING UNCONDITIONAL GUARANTY

THIS CONTINUING UNCONDITIONAL GUARANTY (the "Guarantee") is made by the undersigned ("GUARANTOR"), jointly and severally, who continually, absolutely and unconditionally guarantee to Swift & Company, as hereinafter defined, ("SWIFT") the full and prompt payments of all INDEBTEDNESS (as hereinafter defined) owing from \_\_\_\_\_, s. \_\_\_\_\_ (the "Debtor") to SWIFT which INDEBTEDNESS exists now or which may arise in the future.

GUARANTOR acknowledge and agree that this Guaranty is made for valuable consideration, including, but not limited to the extension, renewal or forbearance of credit by SWIFT to the Debtor. GUARANTOR further understands and agrees that: (i) the INDEBTEDNESS may arise out of different transactions and credit arrangements with SWIFT by the Debtor; (ii) the GUARANTOR's obligations under this Guaranty are unconditional; (iii) this is a Guaranty of payment and not collection; and (iv) the obligations of the GUARANTOR shall be joint and several, each with all or with any one or more of the others, and may be enforced against each separately or against any two or more jointly, or against some separately and some jointly.

GUARANTOR understands that SWIFT may enforce this Guaranty without first resorting to the principal debtor or realizing upon any collateral or other security. GUARANTOR further understands that SWIFT may, at its sole discretion, enforce this Guaranty against any one or several of the GUARANTORS (if applicable) and each GUARANTOR is jointly and severally liable for the full amount of INDEBTEDNESS of each of the GUARANTOR. GUARANTOR agrees that SWIFT has full authority to and may, without notice to or further consent from GUARANTOR: (a) substitute or release any security; (b) release any of the undersigned as a debtor, GUARANTOR, surety or other person who may be responsible for payment of all or a portion of the INDEBTEDNESS; (c) renew, extend or modify the terms relating to the INDEBTEDNESS including extending the time for payment; (d) compromise the terms of the INDEBTEDNESS and accept partial payments from any of the undersigned as debtor; (e) delay or forbear from exercising their rights against any of the undersigned as debtor, GUARANTOR or any security for the INDEBTEDNESS; (f) accept partial payments from any of GUARANTOR as debtor on account of INDEBTEDNESS, all without releasing GUARANTOR from the obligations contained herein.

GUARANTOR waives notice of acceptance of the Guaranty, notice of the creation, existence of maturity of all INDEBTEDNESS, notice of default or extension of time, protest, presentment, demand for payment, notice of dishonor and diligence in collection, both as to this Guaranty and as to any INDEBTEDNESS granted hereunder.



with this Guaranty, and further agrees to pay the cost, or fees, including attorneys' fees and court costs which SWIFT incurs as a result of any such claim or legal action.

This Guaranty shall remain in full force until all INDEBTEDNESS guaranteed is paid in full.

If it becomes necessary to enforce this Guaranty or any provision thereof by suit or by placing it into the hands of an attorney for collection or enforcement, even if suit does not result, GUARANTOR agrees to pay SWIFT's reasonable attorneys' fees and other costs incurred in enforcing this Guaranty.

The undersigned represent and warrant to SWIFT that (i) each of the undersigned is an individual of sound mind with full power and authority to execute this Guaranty; (ii) each of the undersigned has read the Guaranty and had the opportunity to review its terms with an attorney of his choosing, and understand the terms of the Guaranty and their legal effect; and (iii) this Guaranty has been duly executed and delivered by each of the undersigned and constitutes a lawful, binding and legally enforceable obligation of each of them.

As used herein, the following have these meanings:

"SWIFT" means Swift & Company, a Delaware, and its parents, subsidiaries and any other corporations or entities which are or hereafter become affiliated or associated with Swift & Company.

"INDEBTEDNESS" means all debts and obligations owing by \_\_\_\_\_, its subsidiaries, successors or assigns to SWIFT, including but not limited to that certain Hog Purchase Contract between \_\_\_\_\_ and SWIFT of even date herewith together with any extensions, modifications, renewals or replacements thereof as well as any advances, debts, or other obligations which may arise in the future, together with interest on present or future debts as charged by SWIFT.

The invalidity of any provision of the Guaranty as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

This Guaranty may be assigned by SWIFT without notice to or consent from GUARANTOR. The obligations created under this Guaranty are binding upon the undersigned, their heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the undersigned GUARANTORS have executed this document the \_\_\_\_ day of \_\_\_\_\_, 2000.

\_\_\_\_\_  
GUARANTOR

\_\_\_\_\_  
GUARANTOR